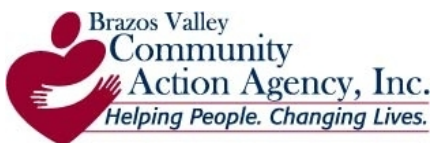




Financial Coach

Training Manual

*Transforming Brazos Valley individual and families financial perspectives and behavior
by providing access to tools to gain their own financial stability and independence.*



Financial Coach Description and Agreement

Description: The Financial Fitness Center offers individuals and families the opportunity to work one-on-one with a trained Financial Coach. Financial Coaches will help clients create and reach their financial goals which will build a path to overall financial stability and provide clients a better understanding of how to manage the daily interaction between their finances and personal lives.

Responsibilities: The primary role of the Financial Coach is to provide encouragement and accountability to the client in meeting their personal financial goals.

- Empower clients to identify and prioritize their financial goals.
- Help clients to 1) understand their expenses, 2) create a budget/intentional spending plan, and 3) track expenses on a month-to-month basis.
- Educate clients on the importance of emergency savings funds; empower clients to start an emergency savings fund.
- Connect clients to necessary resources in order to:
 - Understand their credit history
 - Reduce debt
 - Encourage banking relationships
 - Assist client in their day-to-day activities related to their financial goals

Skills: Essential skills for the Financial Coach include:

- Understanding of basic personal finance and budgeting
- Highly organized and resourceful
- Understanding of clients' various needs and life experiences, providing empathy as appropriate

Financial Coach Volunteer Agreement

The Financial Fitness Center strives to provide quality financial coaching in a confidential and unbiased manner. To accomplish this, our financial coaches agree to:

- Maintain confidentiality about client's personal financial issues and any other personal matters shared during financial coaching sessions.
- Be an unbiased source of financial information and not solicit any paid service for the company, organization or field in which they work.
- Not distribute business cards or materials promoting their employment or any of their employer's products; or ask the client to distribute any of the above materials.
- Not use client information such as telephone numbers and/or addresses for use outside of financial coaching (with or without permission of the client).
- Disclose any perceived conflict of interest to the Financial Fitness Center Director.
- Act strictly in the best interest of the client, not to take actions or make decisions on the client's behalf, and to be respectful of the actions and decisions taken by the client.
- Provide regular updates to the Financial Fitness Center Director on the progress of clients.
- Complete regular updates on client interactions in the online evaluation tool.

I acknowledge and agree to abide by the Financial Fitness Center Volunteer Agreement.

Printed Name

Signature, Date

Financial Fitness Center Staff Signature

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Financial Fitness Center

- I. **Purpose:** The Financial Fitness Center (FFC) is a collaborative program between United Way of the Brazos Valley, Brazos Valley Community Action Agency and Brazos Valley Affordable Housing with the purpose of addressing the financial stability of families to transition them out of poverty to long-term self sufficiency by providing financial education and coaching to Brazos Valley residents seeking to become more financially stable.
- II. **Mission:** It is the mission of the FFC to help Brazos Valley families transform their financial perspectives and behavior by providing access to tools to gain their own financial stability and independence.
- III. **Goals:** The FFC is committed to helping families in the community:
- Develop healthy financial habits
 - Learn the skills to earn adequate income for their family's basic expenses
 - Build savings for unexpected and future needs
 - Acquire reasonable assets
- IV. **Target Clients:**
- Low-to-moderate income individuals and families
 - Motivation and commitment to improve their financial stability by tracking finances, saving, reducing debt, etc.
 - Employed or actively seeking employment
- Note: The FFC does not have an income requirement for clients to enroll in services. Clients simply must be committed to improving their financial stability.*
- V. **Service Area:** The FFC service area includes all residents of the seven-county Brazos Valley region including Brazos, Burleson, Grimes, Leon, Madison, Robertson and Washington counties. Services are primarily provided in Bryan/College Station, but efforts will be made to meet clients in other areas of the region.

The Financial Coach

The role of the Financial Coach is to help clients create and reach their financial goals which will build a path to overall financial stability and provide clients a better understanding of how to manage the daily interaction between their finances and personal lives. Financial Coaches guide clients through the financial triage process, point out areas that the client may not see as areas to work, encourage the client if they struggle and CELEBRATE every accomplishment, no matter how small.

Clients are assessed as they enter the program, and then are assigned to a Financial Coach. Coaches will meet on a monthly basis with each client at a location convenient for the client and Coach.

Financial Coaching Guidelines

- 1) Coaching differs from consulting because the coach is facilitating the process of awareness and action. As a coach, we want to stay with the client while they implement new skills, changes and goals toward success.
- 2) Coaching differs from therapy because the coach is not working on “issues”, delving into the past to understand behavior. Our purpose is to help the client create a plan that meets their goals.
- 3) The best thing we can do is ask questions. Research shows that people are more motivated to carry out their own ideas and solutions. Asking the client can:
 - Create buy-in and buy-in can get results
 - Give the client self-confidence that they know what to do when asked about a major decision
 - Empower the client to achieve something they would not do on their own
 - Move the client away from depending on the coach for an answer and taking responsibility for the situation when asked what they can do about their situation
 - Create a bond between the client and coach because by asking, the client sees we honor and value them
- 4) Create action steps during the coaching sessions. What could you do? Which of the options do you want to pursue? What will you do to complete this step?
- 5) It is important to set aside instincts to solve the client's problem(s). Often the objective eye of the coach can quickly identify the problem and solution. We need to set aside personal biases. Clients seek the coaches assistance with a wide range of experiences, lifestyle choices, financial decisions, parenting styles, religions and races. Sometimes their goals aren't the same goal we would have for them. We want the client to make the decisions, take the critical steps and ultimately take control of their lives.
- 6) Financial coaches should **never** give advice outside of their own specialized training or licensing on legal matters, bankruptcy, taxes, foreclosure, investments, etc. Coaches should provide a referral for a client needing more specialized information or contact the FFC staff for referral information.
- 7) The Coach should always strive to provide a quiet, confidential space to conduct the session. But consider personal safety at all times – Coaches should agree to meet their clients in a location in which both the Coach and client are comfortable. Avoid meeting a client at their home or in a location that there are not other people around.

Financial Triage

For FFC Clients to achieve the stated goals of the program, and reach their personal financial goals, the following “financial triage” areas are addressed:

- 1) Money Management
- 2) Build Savings
- 3) Debt Reduction
- 4) Credit Management
- 5) Safe and Affordable Banking Relationships

While the “financial triage” is listed above in an orderly fashion, each client situation is individual so clients may address each of these areas in a different order, or a little at a time, or maybe not at all. It is important that the client’s experience be customized to their needs, situations and goals.

1. Money Management:

Money management is the basis for all work done with FFC clients. While clients will come to the FFC with various goals, the first step towards achieving their goals is to understand their personal income and expenses. Clients will complete a budget exercise as a starting point, called their Intentional Spending Plan. Clients are asked to bring with them to their first appointment:

- All household monthly income
- All household monthly expenses

The Intentional Spending Plan should be revisited and revised on a monthly basis to explore spending patterns. The Coach’s role is to identify income shortfalls and areas of overspending, and then help the client decide how it can be resolved.

Once their Intentional Spending Plan has been discussed and written down, clients are asked to track their expenses for four weeks. While this is a tedious exercise, it proves to be a very useful exercise in which clients realize exactly where their money is going on a daily, weekly and monthly basis.

2. Build Savings: Savings = KEY

Without adequate savings, a minor crisis such as a flat tire or sick child can become overwhelming for families, often resulting in the use of payday and auto-title lenders, or loans from friends or family. Without adequate savings, it is difficult for families to achieve their financial goals. Bottom line – savings is usually the key.

FFC clients are encouraged to build an “emergency savings fund” first, then build savings towards achieving their goals (saving for a home, children’s college, automobiles, etc.). The amount of an emergency savings fund will vary based on each family and their financial abilities, the initial goal is to reach \$300, or 20% of a significant cash receipt (i.e. – tax credit and refund). However, a more meaningful goal is \$500 - \$1,000, or 25% of a significant cash receipt.

Monthly savings goals should be a part of their Intentional Spending Plan and discussed at each of their Financial Coaching sessions. As clients begin to save, they should be encourage to begin separate monthly savings for other expenses that can be anticipated, but are not regular, such as car repair (\$15 or more can assist with regular maintenance), home repair, and/or gifts, holidays and back to school. Celebrate every session in which the client sets savings aside (even if it is not the entire planned amount)!!!

3. Debt Reduction:

Many clients find themselves in situation where they have incurred a great deal of debt; often times they are delinquent, or not even paying on the debt anymore. They are living with the results of poor financial habits and lifestyle choices. While clients must understand their debt, and acknowledge the actions

which resulted in the debt, they must also be encouraged for being ready to take the steps necessary to address and resolve it.

This is a step in which clients can become overwhelmed quickly. Clients can feel things like, “I’ll never get out of this,” or “why bother?” But even a small step towards addressing their debt can empower clients in their path to achieving their financial goals.

Steps to addressing and reducing debt:

- 1) **Understand total debt:** Have clients bring all debt statements (credit card, auto, home, loans, taxes, etc.) and compile a list of total debt amounts, interest rates, monthly payments and expected repayment dates.
- 2) **Understanding information on credit card statements:** Below is an example of information on statements that helps clients understand the impacts of credit card payments.

Client John Doe

VISA Bill

August 2013

New balance	\$4,000
Minimum payment due	\$100.00
Payment due date	8/10/2013
Interest rate	18%

Late Payment Warning: If we do not receive your minimum payment by the date listed above, you may have to pay a \$35 late fee and your APR may be increased up to the Penalty APR of 34%.

Minimum Payment Warning: If you make only the minimum payment each period, you will pay more in interest and it will take you longer to pay off your balance. For example:

If you make no additional charges using this card and each month you pay...	You will pay off the balance shown on this statement in about...	And you will end up paying an estimated total of...
Only the minimum payment	5 years 2 months	\$6,155
\$125	3 years 8 months	\$5,490 (savings + \$644)

- 3) **Understand how it impacts their credit score** (more in Understanding Credit)
- 4) **Exploring methods and options to “pay-down” debt:** PowerPay is a valuable tool to help clients explore methods and options to “pay-down” debt. PowerPay (found at powerpay.org) will help clients develop a personalized, self-directed debt elimination plan. Utilizing Power Payments, clients make payments on current obligations. As soon as one debt is totally paid, the monthly payment from that loan is applied to the next debt. Money from paid loans continues to be combined towards other debts until all are paid. Other repayment methods available on the website include:
 - Paying highest interest first
 - Paying lowest balance first
 - Paying shortest term first
 Developed by Utah State University Extension, this is one of the strongest tools available at no cost. Clients need to create an account online in order to utilize the tool.
- 5) **Incorporating a debt reduction plan into their Intentional Spending Plan:** Once clients have completed the steps listed, they will be better prepared to incorporate a method to address their debt into their Intentional Spending Plan.

Additionally, it is **critical** for clients who are working to address and reduce their debt to **not** incur additional debt (especially if they do not have a specific plan to pay that debt off).

4. Credit Management

Often times, clients' financial goals are to purchase a home, own a car, or live debt free. To do this, clients must understand their credit situation and manage it appropriately. If clients have many outstanding debts, it is appropriate to assume that these decisions have impacted their credit score. Clients such as this would benefit to receive more in-detail credit counseling. The FFC works with partners in the community to provide credit counseling to clients who need it.

Referrals for Credit Counseling:

- Brazos Valley Affordable Housing: 979-595-2809 x.2
(Schedule appointment with Shelia Ward)
- Money Management International: 1-866-290-2655
www.moneymanagement.org

If client are interested in exploring their credit on their own, good sites to suggest include:

- CreditKarma.com – do NOT pay!
- Creditreport.com – choose ONE of the three credit reporting agencies: Experian, Equifax, Transunion – again, do NOT pay. You will get your credit report, but not a score. It is free for individuals to get their credit report from each credit reporting agencies once per year.

5. Banking Relationships:

It is not uncommon that clients not use traditional banks or not trust banking institutions. It is the goal of the FFC for clients to utilize reputable banking institutions as it applies to their financial goals and avoid predatory lending situations. Additionally, it is not wise for clients to keep their savings at home – this increases the chances of theft or loss. Clients often will use prepaid debit cards – while this is not ideal, it is better than other options. Clients should be encouraged for making responsible choices with their finances.

Should a client's financial goal be to own a home, purchase a car, save for college or retirement and/or open a business, at some point it will be necessary for clients to utilize traditional banking institutions. It is important to review information concerning checking and savings accounts with clients before they open accounts, such as reviewing fees that may be incurred and the requirements of the accounts (deposits, online banking, etc). The FFC is part of Bank On Brazos Valley, an initiative to get the unbanked and under-banked residents of the Brazos Valley connected to mainstream financial service providers such as banks and credit unions. Partners of Bank on Brazos Valley offer basic account features that encourage and support low-to-moderate income families.

Current partners of Bank on Brazos Valley include:

- Aggieland Credit Union (referral source for secured credit card)
- FedStar Credit Union (referral source for secured credit card)
- Citibank
- MidSouth Bank
- Brazos Valley Bank
- City Bank Texas
- Commerce National Bank (referral source for CD loans)
- The Bank & Trust
- First Convenience Bank
- First Victoria

Coaching Session Outline & Objectives

Clients will be initially screened (via telephone), in which basic information will be gathered. Information will include:

- Name and Contact Information
- Brief information on current situation and why the client wants to meet with a Financial Coach
- Available dates/times to meet with Financial Coach

FFC Staff will assess the client and assign the client to a Financial Coach. The FFC Staff will provide the initial screening information to the Financial Coach.

Within 24 hours, the Financial Coach should initiate contact with the client to schedule their first coaching session. Clients are most motivated to begin work toward their financial goals when they reach out – the longer the Coach waits to contact the client the more likely that the client will not follow through and schedule an initial session. Coaches should attempt to contact clients at least three times – if the client is unresponsive, the coach should provide this information to FFC Staff.

The following is a suggested outline for the first three coaching sessions. We have provided only three sessions because after this, the clients situation and progress should guide the objectives of each session. Additionally, these outlines are only a guide and should be adapted for the client's specific goals and situation.

Session 1: (Money Management)

Objectives:

- 1) Establish rapport with client by exploring client's financial goals.
- 2) Develop an Intentional Spending Plan.
- 3) Make a plan to review the Intentional Spending Plan at the next session and their progress in tracking expenses.
- 4) Schedule the next session.

Outline:

- 1) Complete Intake Form while building rapport with client and understanding client's financial goals.
- 2) Have client put financial goals in writing.
- 3) Review all income and expenses and develop Intentional Spending Plan by completing the budgeting worksheet.
- 4) Review the Monthly Tracking Form and explain homework exercise to client.

Homework for Client: Client will track all expenses on the Monthly Tracking Form.

Tips for Financial Coach:

- Talk about planning ahead at all times:
 - Having a plan reduces impulsive and frivolous spending
 - Example: plan for tax return and credits – talk about the advantages of:
 - Holding back a percentage of or a fixed dollar amount for emergency savings or savings towards financial goals
- Make a copy of everything and give it to the client to take home (except Intake Form)
- In between visits, communicate with the client via phone, email or text – encourage them on their homework.

Session 2: (Money Management, Credit Management, Building Savings)

Objectives:

- 1) Identify challenges faced by client through the month and explore plans to overcome those challenges in coming month.
- 2) Update Intentional Spending Plan as necessary.
- 3) Discuss the importance of saving and having an “Emergency Savings Fund” in their Intentional Spending Plan.
- 4) Educate client on the importance of understanding credit as it relates to their specific situation.
- 5) Schedule the next session.

Outline:

- 1) Review Monthly Tracking Form and how money was spent over previous month in comparison to their Intentional Spending Plan. Discuss areas of overspending and methods to stay within spending plan.
- 2) Explore what a reasonable “Emergency Savings Fund” is for the client’s situation and identify a monthly savings goal.
- 3) Update their Intentional Spending Plan with actual amounts based on Monthly Tracking Form incorporating the “Emergency Savings Fund” goal.
- 4) Explore client’s credit and debt situation, provide education and/or referral for Credit Counseling, as appropriate.

Homework for Client: Client will continue to track all expenses on the Monthly Tracking Form. Client will schedule and attend Credit Counseling appointment and bring information to next session.

Tips for Financial Coach:

- Talk about planning ahead at all times:
 - Example: Plan for summer activities for kids. Talk about low-cost activities, or saving for summer activities.
- Make a copy of everything and give it to the client to take home
- Send a reminder text or email about next session and check on outcome from Credit Counseling appointment.

Session 3: (Credit Management, Building Savings, Debt Reduction)

Objectives:

- 1) Review progress of tracking expenses and Intentional Spending Plan. Update Intentional Spending Plan as necessary.
- 2) Explore client’s current debt situation and how it relates to their credit management.
- 3) Schedule the next session.

Outline:

- 1) Review Monthly Tracking Form and how money was spent over previous month in comparison to their budget. Discuss areas of overspending and methods to stay within spending plan.
- 2) Update their Intentional Spending Plan with actual amounts based on Monthly Tracking Form.
- 3) Identify all client debt and any potential issues with credit – identify total debt amount, percentage rate on debt, and monthly payments.
- 4) Explore PowerPay.org. Begin discussing debt repayment plan, as appropriate.

Homework for Client: Client will enter information onto PowerPay.org and develop a debt repayment plan. Client will continue to track all expenses on the Monthly Tracking Form.

Tips for Financial Coach:

- Debt repayment can become very overwhelming for clients – check in with them more this month and make, maybe schedule a mid-month check-in to offer support and encouragement.
- Talk about planning ahead at all times!

About Our Community

The FFC Serves the seven-county region, while most of the clients live in Brazos County. Below are some general statistics for Brazos County.

People Quick Facts	Brazos County	Texas
Population, 2012 estimate	200,665	26,059,203
High school graduate or higher, percent of persons age 25+, 2007-2011	84.8%	80.4%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	39.0%	26.1%
Veterans, 2007-2011	8,404	1,618,413
Per capita money income in the past 12 months (2011 dollars), 2007 – 2011	\$21,292	\$25,548
Median household income, 2007–2011	\$37,161	\$50,920
Persons below poverty level, percent, 2007-2011	29.7%	17.0%

Data for each specific county can be found at: <http://quickfacts.census.gov>

2013 Federal Poverty Level Guidelines

Note: The 100% column shows the federal poverty level for each family size, and the percentage columns that follow represent income levels that are commonly used as guidelines for health programs.

Household Size	100%	133%	150%	200%	300%	400%
1	\$11,490	\$15,282	\$17,235	\$22,980	\$34,470	\$45,960
2	15,510	20,628	23,265	31,020	46,530	62,040
3	19,530	25,975	29,295	39,060	58,590	78,120
4	23,550	31,322	35,325	47,100	70,650	94,200
5	27,570	36,668	41,355	55,140	82,710	110,280
6	31,590	42,015	47,385	63,180	94,770	126,360
7	35,610	47,361	53,415	71,220	106,830	142,440
8	39,630	52,708	59,445	79,260	118,890	158,520
For ea. addtl person, add	\$4,020	\$5,347	\$6,030	\$8,040	\$12,060	\$16,080

Public Benefits

Clients are often utilizing various public benefits and can be more aware of programs than Coaches are. It is good for Coaches to understand the basics of public benefit programs.

Supplemental Nutrition Assistance Program (SNAP) - formerly known as Food Stamps. The SNAP program is federally funded. Assistance is available to qualifying families, elderly people, and single adults whose income is less than 100% of the Federal Poverty Index Guidelines.

Women Infants and Children (WIC) - Special Supplemental Nutrition Program for women, infants and children. WIC helps pregnant, postpartum and breastfeeding women as well as children younger than five. To qualify, household income must be less than 185% of the Federal Poverty Index Guidelines.

Temporary Assistance for Needy Families (TANF) - Provides temporary financial help for children and their parents or relatives who are living with them. Monthly cash payments help pay for food, clothing, housing, utilities, furniture, transportation, telephone, laundry, household equipment, medical supplies not paid for by Medicaid and other basic needs. To be eligible, income must be less than 200% of the Federal Poverty Index Guideline

2-1-1 Texas - 2-1-1 Texas is a free service connecting clients with health and human services and community resources in our area. By dialing 2-1-1, clients will speak with nationally trained Specialists in their area and be referred to organizations providing services.

**2-1-1 Texas is available 24 hours a day.
Dial 2-1-1.
www.211texas.org**

Completing Information in Online Evaluation Tool

In Development
Training provided during January Pilot Group Meeting.

PILOT

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Printed Name

Signature, Date

Financial Fitness Center Staff Signature